

Regular Session, 2009

SENATE BILL NO. 343

BY SENATORS CROWE AND SHAW

TAX/TAXATION. Denies motion picture tax credits to productions for which records are required to be maintained pursuant to 18 U.S.C. § 2257. (8/15/09)

1 AN ACT

2 To amend and reenact R.S. 47:6007(B)(5) and to enact R.S. 47:6007(G) and (H), relative to  
3 the motion picture investor tax credit; to prohibit a motion picture company from  
4 obtaining a motion picture investor tax credit to produce certain motion pictures; and  
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6007(B)(5) is hereby amended and reenacted and R.S. 47:6007(G)  
8 and (H) are hereby enacted to read as follows:

9 §6007. Motion picture investor tax credit

10 \* \* \*

11 B. Definitions. For the purposes of this Section:

12 \* \* \*

13 (5) "Motion picture" means a nationally distributed feature-length film,  
14 video, television series, or commercial made in Louisiana, in whole or in part, for  
15 theatrical or television viewing or as a television pilot. The term "motion picture"  
16 shall not include the production of television coverage of news and athletic events  
17 **or a production for which records are required to be maintained pursuant to 18**

1 U.S.C. § 2257.

2 \* \* \*

3 G. Forfeiture of state tax dollars. (1) A motion picture production  
4 company shall forfeit and must return an amount equivalent to the total amount  
5 of the investor tax credit granted when all of the following are met:

6 (a) Subsequent to certification of the production and the receipt of the  
7 tax credits, the motion picture production company produces a production for  
8 which records are required to be maintained pursuant to 18 U.S.C. § 2257.

9 (2) The provisions of this Subsection shall apply to the motion picture  
10 production company as well as the principal company or corporation if the  
11 motion picture production company is a subsidiary of another film production  
12 entity.

13 (3) The provisions of this Subsection regarding the forfeiture of the  
14 investor tax credit and recovery of state tax dollars shall not apply to a good  
15 faith purchaser of the tax credit where the purchaser is an individual or a  
16 company or corporation not otherwise associated or affiliated with the motion  
17 picture production company.

18 (4) The attorney general is authorized to recover the funds which are  
19 recoverable pursuant to this Subsection.

20 H. Family-friendly production.

21 (a) A state-certified production is eligible to receive an additional two  
22 percent reimbursement if the production is deemed to be family-friendly. The  
23 additional reimbursement is to be paid from any monies appropriated to the  
24 Governor's Office of Film and Television Development, for the purposes  
25 contained in this Section, but not otherwise spent by June 15th of the fiscal year.  
26 The additional reimbursement shall be paid to eligible motion picture  
27 production companies on a first-come-first-served basis. An application form  
28 for the additional reimbursement shall be produced and be made available to  
29 motion picture production companies.

- 1                   **(b) For purposes of this Subsection, "family-friendly production" shall**  
 2                   **mean a state-certified production which is determined to be "G-rated" by the**  
 3                   **Motion Picture Association of America and is, thereby, deemed appropriate for**  
 4                   **general audiences.**

The original instrument was prepared by Carla S. Roberts. The following digest, which does not constitute a part of the legislative instrument, was prepared by Riley Boudreaux.

#### DIGEST

Crowe (SB 343)

Present law provides that the state may issue tax credits against state income tax liability equal to certain expenditures made in order to produce a motion picture. The motion picture tax credits may be sold in order to raise capital for an approved motion picture film production.

Present law defines "motion picture", and excludes from the definition of "motion picture" the production of television coverage of news and athletic events.

Proposed law also excludes a production for which records are required to be maintained pursuant to 18 U.S.C. § 2257, dealing with actual sexually explicit conduct.

Proposed law provides that, where tax credits have been granted for a motion picture which produces a production for which records are required to be maintained pursuant to 18 U.S.C. § 2257.", the tax credit is forfeited and the state tax dollars may be recovered from the motion picture production company but may not be recovered from a third party who purchased the tax credits in good faith.

Proposed law provides that a state-certified production is eligible to receive an additional 2% reimbursement to be paid from any money appropriated to the Governor's Office of Film and Television Development for the motion picture tax credit program but not otherwise spent by June 15th of the fiscal year if the production is deemed to be family-friendly. The additional reimbursement is paid to the eligible motion picture production company on a first-come-first-served basis.

Proposed law defines a "family-friendly production" as a state-certified production which is determined to be "G-rated" by the Motion Picture Association of America and is, thereby, deemed appropriate for general audiences.

Effective August 15, 2009.

(Amends R.S. 47:6007(B)(5); adds R.S. 47:6007(G))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Changes the prohibition on issuing the tax credit from productions which contain sexually explicit material deemed harmful to minors to productions for which records are required to be maintained pursuant to 18 U.S.C. § 2257, dealing with actual sexually explicit conduct.